

# OTC Direct

A New Way to Sell Savings Bonds

**T**he U.S. Department of the Treasury is introducing OTC Direct, a web-based bank lobby ordering service for paper savings bonds. With a link to our website, your customers can order bonds directly from us, and pay with an ACH debit.

## OTC Direct will:

- Introduce customers to TreasuryDirect, a web-based system that allows investors to purchase electronic Treasury securities, including electronic savings bonds.
- Reduce your processing costs of selling paper bonds over the counter.

## Here's how OTC Direct works:

- A home page informs the customer about TreasuryDirect, giving the customer an opportunity to purchase electronic securities.
- If the customer chooses to buy **paper** savings bonds, OTC Direct will ask for information to identify the customer using a government-operated verification service.
  - ◆ The customer selects the series and denomination of the desired bond and provides registration information.
  - ◆ The customer provides ACH payment information (routing and account numbers).
  - ◆ Public Debt collects the funds, sends a confirmation email message to the customer, processes the order, and mails the bond within 2-3 weeks.

## Comparing the Current Process with OTC Direct

### Current Process

#### Your Customer:

- Fills out a paper application and gives it to a bank employee.
- Pays for the bond(s).

#### You:

- Execute the payment transaction.
- Either encode the applications, or process the paper applications, for transmission to a Federal Reserve Bank.
- Balance the payments with the total bond order.
- Reconcile transactions with the Federal Reserve Account.
- Provide customer service for undelivered or lost bonds, etc.

### OTC Direct

#### Your Customer:

- Places the order and provides ACH payment information, all online.